

November 18, 2016

Mr. Ernesto Marquez, City Administrator
City of Hawaiian Gardens
21815 Pioneer Boulevard
Hawaiian Gardens, CA 90716

Dear Mr. Marquez:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Hawaiian Gardens Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2017 through June 30, 2017 (ROPS 16-17B) to the California Department of Finance (Finance) on September 30, 2016. Finance has completed its review of the Amended ROPS 16-17B.

Based on our review, Finance is approving the adjustments requested, totaling a reduction of \$1,528,210 in Redevelopment Property Tax Trust Fund (RPTTF) funding on the Amended ROPS 16-17B. However, Finance notes the following:

Item No. 5 – Supplemental Educational Revenue Augmentation Fund (SERAF) loan in the total outstanding balance of \$12,950,050 is overstated. Based on supporting documentation, the former redevelopment agency borrowed \$2,949,559 from the Low and Moderate Income Housing Fund to pay SERAF obligations. Therefore, the total outstanding balance has been reduced by \$10,000,491 to \$2,949,559 (\$12,950,050 - \$10,000,491). Since the amount of \$900,000 requested for the fiscal year does not exceed the repayment formula outlined in HSC section 34191.4 (b) (3) (A), Finance is approving the requested amount.

The Agency's amended maximum approved RPTTF distribution for the ROPS 16-17B period is \$1,936,710 as summarized in the Approved RPTTF Distribution table on Page 3 (See Attachment).

Please refer to the ROPS 16-17B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 16-17B. Please note there is not a Meet and Confer option for the Amended ROPS process so Finance's determination is final. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS

periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Veronica Green, Lead Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Linda Hollinsworth, Finance Director, City of Hawaiian Gardens
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution	
For the period of January 2017 through June 2017	
Authorized RPTTF on ROPS 16-17B	\$ 3,339,920
Authorized Administrative RPTTF on ROPS 16-17B	125,000
Total Authorized RPTTF on ROPS 16-17B	3,464,920
Authorized 16-17B RPTTF Adjustments	(1,528,210)
Total Amended ROPS 16-17B RPTTF approved for distribution	\$ 1,936,710